

Buying a New Car

Here are some things to keep in mind when shopping for a new car.

BEFORE YOU BUY

- Decide what kind of car and what features you are looking for.
- Educate yourself about the car and its options.
- Check with your insurance company on the cost of insurance for the car you have in mind.
- Get pre-qualified for an auto loan from your lending institution so you know what you can afford.
- Comparison shop. You will not be able to get out of a contract just because you found a better deal elsewhere after you have already signed a contract.

BEFORE YOU SIGN

- Be sure you have an entire copy of the contract.
- Review the contract and make sure you understand all its terms. If you do not understand any of the contract items, ASK the salesperson to explain to your satisfaction.
- Don't sign the contract if you do not agree to all the terms listed.
- Make sure all promises are in writing in your contract. Oral promises may not be enforceable.
- Generally, there is no 3-day cancellation period or rescission period once you sign the contract, so be sure that you want to purchase the car. There may be a written reference to a 3-day rescission period noted in your contract, but this applied only to door-to-door sales and not to the average car sale transactions. However, if you were sent a flyer offering you a free prize for going to the dealership to test drive the car, this may be considered a door-to-door sale even if you sign the contract at the dealership.
- As purchaser of the car, you are responsible for providing the insurance. The dealer is not obligated to cancel a contract because you cannot afford to pay for insurance.
- When you see an advertisement in the newspaper for a car, be aware there may be charges in addition to the stated price for tax, license and documentation fees. Always read the fine print.
- You should receive a written notice from the dealership setting forth the provisions of the new car "lemon law" when you purchase your car.

FINANCING

- Deals may be subject to financing approval. If they are, it means you may have to consider the dealership's financing program as well as those offered by other financing entities.
- You have the option of obtaining financing through the dealership or from your own financial institution.
- If you apply for financing through the dealership, you will have to sign a financing agreement. If you do not plan to obtain financing through the dealership, you do not have to sign the dealer's financing agreement as a "back up".
- Do not sign the financing agreement until you receive an entire copy of the contract. Review it and make sure you understand all its terms.
- The dealer may allow you to take the car off the lot even though you have not yet qualified for financing. Be aware that you may be responsible for the vehicle when you take it off the lot.
- If the deal is subject to financing approval, and you do not qualify for financing either through the dealership or your financial institution, the contract may be void and you may have to return the car to the dealership.

ADDITIONAL FEES

The car purchase contract may list other fees in addition to the price of the car, such as extended warranties, guaranteed auto protection (GAP) fees and vehicle theft registration (VTR) fees. These fees are normally always optional and you may not want to purchase the services charged from those fees.

If you do not know what the fee is or what it entails, ASK the salesperson to explain it to you. If they tell you that a certain fee is required by law, ask them to specify what law they are referring to and check it out.

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